

SUMMARY OF PROPOSED COMMITTEE DRAFT:

Resolution 16-219

**REQUESTING THE CITY ADMINISTRATION TO EVALUATE THE CITY'S
COMMUNITY FACILITIES DISTRICT ORDINANCE AND RECOMMEND
AMENDMENTS TO FACILITATE THE FINANCING OF TRANSIT- RELATED
IMPROVEMENTS THROUGH THE ESTABLISHMENT OF COMMUNITY FACILITIES
DISTRICTS ALONG THE HONOLULU HIGH-CAPACITY TRANSIT CORRIDOR
PROJECT ROUTE.**

The PROPOSED CD1 makes the following amendments:

- A. Add a new first WHEREAS clause to read as follows:

WHEREAS, Section 12 of Article VII of the Hawaii Constitution requires the Hawaii State Legislature to authorize the counties to issue bonds under special improvement districts statutes.

- B. Amends the existing first WHEREAS clause to read as follows:

WHEREAS, Section 46-80.1 of the Hawaii Revised Statutes authorizes the counties to provide, by ordinance, for the establishment of community facilities special tax districts for the purpose of allowing the counties maximum flexibility in financing necessary special improvements in such areas; and

- C. Changes the due date for the administration's recommendations from September 30, 2016 to October 31, 2016; and

- D. Makes miscellaneous technical and non-substantive amendments.



RESOLUTION

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WHEREAS, Section 12 of Article VII of the Hawaii Constitution requires the Hawaii State Legislature to authorize the counties to issue bonds under special improvement districts statutes; and

WHEREAS, Section 46-80.1 of the Hawaii Revised Statutes authorizes the counties to provide, by ordinance, for the establishment of community facilities special tax districts for the purpose of allowing the counties maximum flexibility in financing necessary special improvements in such areas; and

WHEREAS, the Council, by its enactment of Ordinance 96-18 (now codified as ROH Chapter 34) on April 25, 1996, authorized community facilities districts for financing special improvements; and

WHEREAS, under the foregoing state and city laws, community facilities districts may be established to finance special improvements through the issuance of bonds and a special tax levied on land within each district to pay the debt service on the bonds; and

WHEREAS, other jurisdictions have established community facilities districts for the purpose of financing special improvements as follows:

- The County of Kauai established Community Facilities District No. 2008-1 (Kukui'ula Development Project) to provide for the financing of certain facilities, including roads and water storage and distribution facilities, benefitting the Kukui'ula development and the Koloa-Poi'pu area.
- The City and County of San Francisco established City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) in conjunction with the design and development of Transbay Transit Center and Downtown Rail Extension infrastructure projects; and

WHEREAS, ROH Section 34-1.5 provides that a community facilities district may be established to finance the acquisition, planning, design, construction, installation,



RESOLUTION

improvement, or rehabilitation of any real property or structure with a useful life estimated by the Council to be five years or longer; and

WHEREAS, ROH Section 34-1.5 (10) provides that transit or transportation systems projects are among the special improvements that may be financed by community facilities districts; and

WHEREAS, in view of financing difficulties the Honolulu High-Capacity Transit Corridor Project faces, consideration should be given to available financing alternatives such as the creation of community facilities districts along the Honolulu High-Capacity Transit Corridor Project route; and

WHEREAS, to date, however, no community facilities district has been created in the City since the enactment of Ordinance 96-18, and the ordinance should be evaluated to determine its applicability to the Honolulu High-Capacity Transit Corridor Project and whether the ordinance should be amended to facilitate the creation of community facilities districts; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City administration is requested to evaluate the City's Community Facilities District ordinance and recommend amendments to facilitate the financing of transit-related improvements through the establishment of community facilities districts along the Honolulu High-Capacity Transit Corridor Project route; and

BE IT FURTHER RESOLVED that the City administration is requested to submit its recommendations to the Council with respect to the above-stated matter no later than October 31, 2016; and



RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director, the Director of Budget and Fiscal Services, and the Executive Director and Chief Executive Officer of the Honolulu Authority for Rapid Transportation.

INTRODUCED BY:

Carol Fukunaga

Ernest Martin

DATE OF INTRODUCTION:

August 23, 2016
Honolulu, Hawaii

Councilmembers